

Message Text

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PAGE 01 GENEVA 05143 091657Z

72

ACTION COME-00

INFO OCT-01 EA-11 IO-14 ISO-00 FEA-02 AGR-20 CEA-02

CIAE-00 DODE-00 EB-11 FRB-03 H-03 INR-11 INT-08 L-03

LAB-06 NSAE-00 NSC-07 PA-04 RSC-01 AID-20 CIEP-03

SS-20 STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SP-03

OMB-01 SWF-02 DRC-01 /183 W
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R 091617Z AUG 74

FM USMISSION GENEVA

TO SECSTATE WASHDC 7684

INFO AMEMBASSY WELLINGTON

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E.O. 11652: N/A

TAGS: GATT, ETRD, NZ

SUBJ: GATT ARTICLE XXVIII NEGOTIATIONS--NEW ZEALAND

REF: STATE 168739

1. MISSION OFFICER ON AUGUST 7 CALLED ON NEW ZEALAND MISSION (FALCONER) TO PRESENT US CLAIM FOR COMPENSATION AND TO EXPRESS STRONG US CONCERN OVER GNZ CONTINUED DISREGARD FOR GATT ARTICLE XXVIII, PER REFTEL. FALCONER EXPRESSED SOME SURPRISE AT US CHAGRIN OVER FACT THAT TRARIFF RATES HAD GONE INTO EFFECT, SINCE NEW ZEALAND NOTIFIED US IN MAY 9 LETTER OF PROPOSED CHANGES AND AT THAT TIME INDICATION OF WISH TO CONSULT (GENEVA 2962). HE NOTED IT NOW AUGUST AND SAID HE HAD FELT SOME SATISFACTION AT HAVING CONVINCED WELLINGTON BE "GOOD BOYS" THIS TIME BY DELAYING IMPLEMENTATION UNTIL SUFFICIENT TIME ALLOWED FOR ACCEPTANCE OF INVITATION TO CONSULT.

2. MISSION OFFICER SAID WHILE US ONLY NOW CONFIRMING
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PAGE 02 GENEVA 05143 091657Z

OUR WISH TO NEGOTIATE WE DID INDICATE ON JUNE 14 (STATE

119541, PARA 5) THAT MATTER WAS UNDER EXAMINATION. WE UNDERSTOOD CHANGES MADE JULY 1, AND WE RECALLED THAT MAY 9 NZ LETTER HAD BEEN PRESENTED WITH INFORMAL HINT THAT WELLINGTON WISHED IMPLEMENT TARIFF CHANGES QUICKLY AND ASKED WHETHER IT WOULD REALLY HAVE MADE MUCH DIFFERENCE. WHILE HE WAS UNABLE SAY WHY CHANGES HAD BEEN EFFECTED AFTER US INDICATED MATTER UNDER EXAMINATION, FALCONER, SAID HE "KNEW FOR A FACT" THAT DECISION TO IMPLEMENT TARIFF INCREASES ON JULY 1 HAD NOT BEEN MADE AT TIME OF NZ MAY 9 LETTER. WHILE ACKNOWLEDGING THAT NOTICE FOR ONE HAD BEEN GIVEN IN ADVANCE, WE STATED NEW ZEALAND'S GATT OBLIGATIONS CALL FOR A GOOD DEAL MORE, THAT NEGOTIATION OF COMPENSATION IS ALSO REQUIRED IN ADVANCE, THAT THIS HAD BEEN SUBJECT OF PREVIOUS DISCUSSIONS, BETWEEN OUR GOVERNMENTS, AND THAT THIS WAS MATTER US VIEWED SERIOUSLY.

3. FALCONER SAID SOME OFFICIALS IN WELLINGTON WISHED MOVE QUICKLY ONCE TARIFF BOARD DECISIONS MADE AND THAT NEGOTIATION OF COMPENSATION OFTEN TAKES CONSIDERABLE TIME, ESPECIALLY WITH EC. WE RESPONDED THAT BOTH OF THESE CONSIDERATIONS WERE NEW ZEALAND'S PROBLEM AND SAID IF CIRCUMSTANCES WARRANT EARLY IMPLEMENTATION OF TARIFF CHANGES, THESE SHOULD BE EASILY EXPLAINABLE IN AN ARTICLE XXV WAIVER REQUEST. WE ALSO SAID NEGOTIATING PERIOD MIGHT BE SHORTENED BY EARLY TENDERING OF REALISTIC NEW ZEALAND COMPENSATION OFFERS WITHOUT AWAITING REQUEST LIST AND BY PROMPT REACTION TO US REQUESTS.

4. FALCONER CONCEDED PERSONALLY THAT NZ ACTIONS NOT IN STRICT CONFORMITY WITH GATT PRACTICE BUT ADDED THAT WELLINGTON OFFICIALS QUESTIONED NECESSITY OF NEW ZEALAND'S HEWING LINE ON SUCH SMALL MATTER WHEN ACTIONS OF MAJOR IMPORTANCE, SUCH AS RECENT EC MEAT EMBARGO, GO UNCORRECTED. WE SAID WE SUSPECTED WELLINGTON AWARE TWO WRONGS DON'T MAKE RIGHT, THAT THIS WAS CONTRACTUAL OBLIGATION OF NEW ZEALAND, AND THAT OTHER TRADING PARTNERS AWARE OF NEED COMPENSATE BEFORE IMPAIRING CONCESSIONS.

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PAGE 03 GENEVA 05143 091657Z

5. COMMENT: BELIEVE ONE WAY TO BROADEN WHAT LITTLE PROGRESS WE HAVE MADE IN GETTING NEW ZEALAND TO DELAY EARLY IMPLEMENTATION OF TARIFF CHANGES WOULD BE FOR US TO GIVE EARLY INDICATION OF DESIRE TO CONSULT WITHOUT FIRST WAITING TO DRAW UP REQUEST LIST. IN THIS CASE, WE DOUBT IT WOULD HAVE MADE MUCH DIFFERENCE, BUT NEW ZEALAND NOW ALBE POINT TO MAY-AUGUST DELAY. FALCONER HAS ALREADY BROUGHT OUR STRONG PRESENTATION

TO PERMREP'S ATTENTION AND INDICATED THAT US ARGUMENTS
PRESENTED ABOVE WILL GIVE HIM USEFUL LEVERAGE TO WORK
ON WELLINGTON. OUR POINTS ARE BEING FOLLOWED UP IN
WRITING AT HIS REQUEST. AGREE THAT US REPRESENTATION
IN WELLINGTON WOULD BE USEFUL. DALE

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